

STATEMENT OF PURPOSE**RS21329**

This legislation addresses the issue of Border Contracts, which occur when an Idaho school district contracts to have remote student populations educated in a border state. Current law essentially provides a blank check, in which the state will pay whatever cost is charged by the out of state school district.

This legislation provides an enhancement to the existing state funding formula should an Idaho school district decide to begin providing education services to an attendance in which the students are currently educated out of state.

By providing sufficient funding for the Idaho school district to educate these students in Idaho, if necessary, the district will be in a better position to bargain for a lower price with an out of state school district.

There are currently four school districts that contract to have students educated out of state. They are Bruneau-Grandview, Soda Springs, Pleasant Valley and Swan Valley.

FISCAL NOTE

Savings to the state General Fund would be dependent on the result of individual school district negotiations with an out of state school district, and a decision on whether or not to begin educating remote students in Idaho. For example, if the largest user of border contracts (Bruneau-Grandview) were to educate its remote students in Idaho, rather than contracting to have the students educated by the Elko County School District, it would save the state General Fund \$200,000 per year.

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